March 12, 2025

MnDOT Transportation Greenhouse Gas Emissions Impact Assessment Technical Advisory Committee

Attn: Jon Solberg, MnDOT
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CC: Chris Berrens, MnDOT

Re: Conformance Interpretation

This letter is regarding recent discussions regarding conformance and other recommendations provided by the Technical Advisory Committee on the 2023/2024 GHG/vehicle miles travelled (VMT) reduction law passed in Minnesota (Minn. Stat. 161.178, 174.01, Subd. 3; 174.03 Subd. 1c (9).

We appreciate the staff and Technical Advisory Committee members working to implement these nation-leading laws and are reaching out with comments.

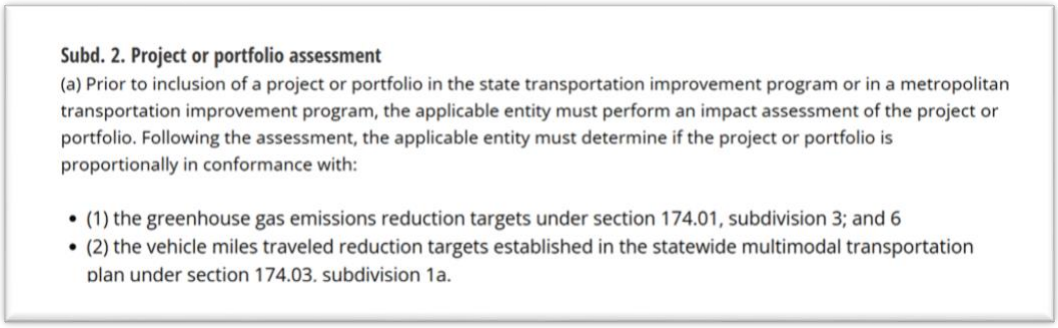
ISSUE

During the most recent Technical Advisory Committee (TAC) meeting on February 10. The TAC discussed the appropriate baseline against which to measure mitigation options if mitigation options are pursued by a project sponsor. (It is important to note project sponsors have several options: a project sponsor can choose to construct additional interlinked projects to mitigate, can choose to alter the project itself to mitigate emissions, or can choose to cancel the project. Interlinking is not required of any project sponsor.)

The discussion indicated two possible interpretations of conformance.

While the TAC discussion focused on the 2023 version of the GHG/VMT law, which went into effect on February 1, 2025, and focused on expansion projects, this interpretation will have a precedent-setting effect on the expanded version of the law, which focuses on MnDOT's entire portfolio of projects, when it goes into effect in 2027.

The intent behind the GHG/VMT law is to proportionally **reduce** GHG and VMT from the transportation system to ensure alignment with the state's GHG and VMT reduction targets.



Subd. 2. Project or portfolio assessment

(a) Prior to inclusion of a project or portfolio in the state transportation improvement program or in a metropolitan transportation improvement program, the applicable entity must perform an impact assessment of the project or portfolio. Following the assessment, the applicable entity must determine if the project or portfolio is proportionally in conformance with:

- (1) the greenhouse gas emissions reduction targets under section 174.01, subdivision 3; and 6
- (2) the vehicle miles traveled reduction targets established in the statewide multimodal transportation plan under section 174.03, subdivision 1a.

To meet these targets, MnDOT will need to rebalance the makeup of its program, investing meaningful focus and dollars on multimodal projects that reduce GHG and VMT. Making these investments now will make conforming to GHG and VMT targets easier—if MnDOT and the TAC delay conformance to Minnesota's climate targets, meeting these targets in the future will be substantially more difficult.

The interpretations this letter is focused on can be found in the "Conformance update" section of the presentation given to the Technical Advisory Committee on February 10, 2025 (pages 8-11). The slides describe two conformance options, Option 1 and Option 2.

CONFORMANCE OPTION 1: PROJECT-FOCUSED INTERPRETATION

In the Option 1 conformance interpretation, which we will call a project-focused interpretation, project sponsors are expected to mitigate *only additional* greenhouse gas emissions or vehicle miles travelled, above existing levels, that result from a project or portfolio. This approach functionally leaves all emissions and VMT remain at the same level, despite MnDOT's GHG and VMT reduction targets, despite statutory GHG reduction targets, and despite references to those goals in the VMT/GHG reduction law.

This project-focused interpretation does not align with the intent of the law or MnDOT's own goals, given that we will be unable to meet our state's climate and equity goals without reducing VMT.

MnDOT has itself acknowledged the importance of VMT reduction in meeting our climate goals. In the 2020 STAC Response Report, MnDOT stated unequivocally that "Minnesota will not be able to achieve our state greenhouse gas (GHG) reduction goals without reducing vehicle miles travelled (VMT)."

Additionally, MnDOT's assertion in the "Conformance update" presentation that the definition of "project or portfolio" does not include "any reference to existing infrastructure of projects previously entered into a historical STIP/TIP and already built" as noted in the February 10, 2025 slides is absurd, as the law itself was put into place explicitly to ensure the state meets its GHG and VMT reduction targets, not to merely maintain an unworkable status quo. It is implausible to interpret conformance as not requiring the state to meet the targets, and in direct contradiction to the law itself as well as its intent.

"We need to employ these kinds of strategies, creating transportation options and strong community centers, to meet Minnesota's statutorily established greenhouse gas reduction goals and to meet MnDOT's VMT reduction target, established just a couple months ago. Right now, these reduction targets, both VMT and greenhouse gas, are just goals. This bill before you today creates a structure for actually meeting those goals."

—Sam Rockwell, former Move Minnesota Executive Director, in testimony at the House Transportation Finance & Policy Committee, March 17, 2023

"The way we worded it was such that the projects had to be consistent with MnDOT meeting its goals. So that does envision some level of reduction, not just offsetting."

—Representative Larry Kraft, Volts Podcast Interview re: 2023 VMT/GHG law, September 27, 2023

CONFORMANCE OPTION 2: TARGET-FOCUSED INTERPRETATION

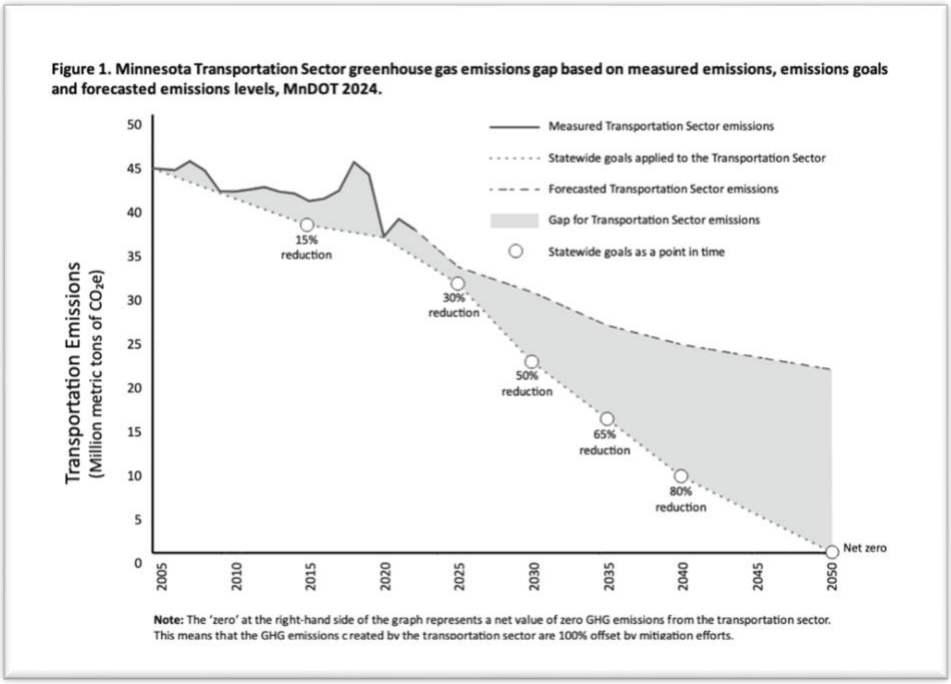
In another interpretation, which we will call a target-focused interpretation, project sponsors must use the opportunity presented by a project or portfolio to mitigate the *total* greenhouse gas emissions in line with statutory targets, while ensuring that the mitigation includes reducing vehicles miles travelled on or along the project site. In practice, this means that for a given project, greenhouse gas emissions and vehicle miles travelled *must* be reduced, and to do so "proportionally" to conform with established GHG and VMT reduction as stated in the law.

This target-focused interpretation does align with the intent of the law and MnDOT's established goals.

Of note is the fact that MnDOT's GHG and VMT reduction goals are interlinked, but separate: MnDOT both needs to meet its GHG reduction goals, as well as meet its VMT reduction goals. While VMT reduction is a key strategy to meet the GHG goals, VMT needs to be paired with electrification and other strategies.

If modeling shows that our current VMT reduction goal paired with other strategies falls short of meeting the state's identified targets, MnDOT and partner state entities should increase the VMT reduction goal, as well as work with partner state entities to increase other mitigation strategies like electrification.

A January 14 memo to Minnesota Metropolitan Planning Organizations from MnDOT Commissioner Nancy Daubenberger included information based on the forecasted emissions gap for the state, which the graph on the following page shows is substantial and currently projected to widen over time as the GHG emissions reduction target approaches net zero.



MnDOT and other transportation decision-makers in Minnesota need to adhere to our GHG and VMT reduction targets in each and every project, or the onus on future projects will only increase, as we have experienced over the last decade as Minnesota has failed to meet its statutory GHG goals. Simply mitigating additional emissions is insufficient. And with recent federal action attempting to dismantle electric vehicle incentives and charging infrastructure is expected to slow electrification rates, making VMT reduction even more critical.

A NOTE ON COSTS

All mitigation actions—project interlinking, mitigating inside a project, or cancelling a project—have the same functional result in rebalancing MnDOT's investments and portfolio of projects in order for MnDOT to meet its established VMT and GHG reduction goals. When looking at the 2023 law focused on a project level, interlinked projects and other mitigation actions functionally reflect a microcosm of the larger portfolio-focused scope of the 2024 law: ensuring that when there is a decision made that has VMT and GHG impacts identified in the law, project sponsors step up to help rebalance the overall investment portfolio. A substantial benefit of a target-focused interpretation of conformance is these additional investments in and of themselves.

It is also important to note that a focus on direct costs obscures other project benefits, such as indirect savings and addressing externalized health, climate, and wellbeing costs of the existing system. Analysis from RMI shows Minnesota would see up to $91B in benefits from climate-focused transportation investments if the state meets its stated VMT reduction goal of 20% per capita by 2030 ("Analysis: Minnesotans Would Save up to $91B from Climate Smart Transportation", 2023).

A NOTE ON MODELING

These laws are nation-leading, and we understand and appreciate that MnDOT is needing to develop new implementation tools in real time, including more comprehensive modeling tools. We understand MnDOT's current chosen elasticity modeling tool is only effective at capturing induced demand from expansion, and cannot effectively model for reductions in vehicle miles travelled. Therefore this is most effectively used to measure the total projected emissions from an expansion on the project.

However, the elasticity modeling tool is not the only tool MnDOT has at its disposal. For example, MnDOT could use data from highway reductions, reconstruction, or removal projects. Most importantly, MnDOT has the Technical Advisory Committee, whose oversight role in projects is critical as MnDOT develops their modeling tools. Members of the TAC can and should continue to play an active role applying their expertise as well as common sense when reviewing projects between now and when the modeling tool is expected to come online in 2027. Certainly no one will walk, bike, or take transit on a corridor where there isn't the infrastructure for them to do so, so we should only anticipate mode shift with these investments. If there are half as many car lanes, the street's capacity for car travel is diminished, and people are likely to drive less and utilize other modes more. And as MnDOT's modeling tool becomes more sophisticated, so too can the TAC's recommendations and oversight.

CONCLUSION

The TAC must continue to use Option 2 when interpreting conformance on both the project and programs level. Moving forward imperfectly, while striving to achieve our VMT and GHG goals, is imperative. We have no time to waste. Our climate, our communities, and our futures are at stake.

Thank you for your consideration,

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Interim Executive Director, Move Minnesota

José Antonio Zayas Cabán
Executive Director, Our Streets